

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6844

BILL NUMBER: HB 1162

NOTE PREPARED: Dec 28, 2005

BILL AMENDED:

SUBJECT: University Bonding.

FIRST AUTHOR: Rep. Buell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill adds software and related costs to the costs that may be included in a state university bond issue for a capital project.

The bill provides that certain installment contracts entered into by state universities are not considered to be bond issues.

The bill provides that bonds may be issued by a state university for equipment, software, and related purposes (instead of capital projects) without the approval of the General Assembly if, after the issuance, the total amount of bonds outstanding will not exceed \$10,000,000 (instead of \$1,000,000).

It increases the cap on the amount of bonds that a state university may have outstanding for qualified energy savings projects from \$10,000,000 to \$20,000,000.

The bill also authorizes Purdue University to issue bonds for certain repair and rehabilitation expenses without the approval of the General Assembly.

The bill authorizes a state university to issue bonds for certain technology expenditures without the approval of the General Assembly.

The bill authorizes a state university to issue revenue bonds for facilities used for clinical, medical, scientific, engineering, or other similar research purposes if revenue will be available in an amount at least equal to debt service for the bonds. (Current law is limited to medical research facilities associated with a school of

medicine.)

Effective Date: Upon passage.

Explanation of State Expenditures: The bill would increase the ability of state colleges and universities to bond for projects. The increase in bonding capacity is unknown. The state is scheduled to pay about \$131.1 M in fee replacement debt service payments for FY 2007. If the increase in bonding is for projects eligible for fee replacement, then there could be an increase in General Fund expenditures subject to appropriations.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Colleges and Universities.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.